

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3048-01
BILL NO.: HB 1314
SUBJECT: Establishes a Youth Smoking Prevention Commission
TYPE: Original
DATE: March 9, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Missouri Youth Smoking Prevention*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

* Revenues and expenditures annually net to \$0.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health** and **Office of Administration** assume that this proposal will not fiscally affect their agencies.

Officials from the **Office of State Auditor (SAO)** stated if the Youth Smoking Prevention Fund would pay for the audit, there would be no fiscal impact. However, if the fund does not pay for the audit, the SAO estimates that such an audit would probably take 500 to 700 audit hours. Approximately one-third FTE at the Staff Auditor II level would be a fair estimate of the personnel costs. Total costs are expected to be \$11,200 for personal service and \$100 for expense and equipment.

Oversight assumes the SAO could audit the Youth Smoking Prevention Fund annually with existing resources and would not need to hire additional employees to audit the Missouri Youth Smoking Prevention Commission and Fund.

Officials from the **Office of Attorney General** stated that any costs associated with submitting comments on Commission reports could be absorbed with existing resources.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal will not fiscally affect their agency. The DESE also indicated that the state plan to be developed by the Youth Smoking Prevention Commission requires an annual state survey of children in grades 6 to 12 to measure cigarette use. Selected students will spend time responding to these surveys; however, the school districts are not expected to experience a fiscal impact.

Officials from the **Department of Mental Health (DMH)** stated the impact on their department is unknown. Section 196.105 establishes the Youth Smoking Prevention Commission in the DMH. The DMH assumes funding for the Commission staff, which includes a director and other technical employees, would be a cost to the Department. The funding for the staff and related expenses would be provided from the Missouri Youth Smoking Prevention Fund. Employees will be hired at the discretion of the Commission, therefore, the cost is unknown. In addition, upon completion of the final state plan, the DMH anticipates receiving funding to be granted by the Commission for service provision of youth smoking prevention programs.

Oversight notes that the proposal does not cause any additional revenues and does not specify what portion of the settlement agreement funds will be deposited into the newly created fund.

Oversight also assumes that the Youth Smoking Commission, administrative costs, and youth smoking prevention grants would be financed by that part of the moneys from the settlement

ASSUMPTION (continued)

agreement which would be earmarked for smoking prevention and cessation activities. (The alternative assumption is that the proposal would set aside all of the settlement monies for the programs which would be created by the proposal.)

In addition, Oversight assumes the Youth Smoking Prevention Commission would have administrative costs and staff commensurate with amounts appropriated for grants. The proposal would limit administrative costs to a maximum of five percent (5%) of total program costs.

Oversight can not estimate how much money would be appropriated from tobacco settlement funds or other state funds for the programs envisioned by this proposal. Please see the attached sheet for a range of estimates of moneys Missouri would realize from the tobacco settlement agreement.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**MISSOURI YOUTH SMOKING
PREVENTION FUND**

<u>Income</u> - Appropriations	Unknown	Unknown	Unknown
<u>Cost</u> - Grants and Administration	(Unknown)	(Unknown)	(Unknown)

**ESTIMATED NET EFFECT ON
MISSOURI YOUTH SMOKING
PREVENTION FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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\$0	\$0	\$0
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

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DESCRIPTION

This proposal would create the Youth Smoking Prevention Commission. The Commission would develop a state plan for youth smoking prevention and award grants, based on the plan, from the Missouri Youth Smoking prevention Fund which the Commission would establish and administer.

The proposal would specify the composition of the Commission. It would establish timetables for the Commission to develop the state plan for youth smoking, set reporting requirements for programs established with grants and specify maximum administrative costs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Office of Administration
Office of State Auditor
Office of Attorney General
Department of Health



Jeanne Jarrett, CPA
Director
March 9, 2000

Year	OA - B&P	Governors Association	3% CPI Increase
1998	\$54,590,426	\$54,590,426	\$54,590,426
1999	\$0	\$0	\$0
2000	\$129,451,392	\$145,841,736	\$150,216,988
2001	\$135,420,621	\$157,485,647	\$167,076,523
2002	\$162,447,798	\$189,094,295	\$206,623,336
2003	\$164,044,888	\$190,883,868	\$214,820,705
2004	\$143,399,390	\$159,313,061	\$184,659,769
2005	\$144,834,156	\$159,313,061	\$190,203,864
2006	\$146,278,082	\$159,313,061	\$195,907,271
2007	\$147,740,792	\$159,313,061	\$201,785,923
2008	\$164,693,218	\$175,833,051	\$181,916,875
2009	\$166,353,707	\$175,833,051	\$236,266,871
2010	\$168,003,541	\$175,833,051	\$243,352,943
2011	\$169,675,393	\$175,833,051	\$250,667,598
2012	\$171,378,869	\$175,833,051	\$261,340,664
2013	\$173,100,158	\$175,833,051	\$265,929,906
2014	\$174,833,563	\$175,833,051	\$273,895,144
2015	\$176,602,091	\$175,833,051	\$282,124,130
2016	\$178,364,609	\$175,833,051	\$290,581,700
2017	\$180,168,255	\$175,833,051	\$299,303,019
2018	\$188,424,839	\$182,059,072	\$319,204,171
2019	\$190,339,585	\$182,059,072	\$328,780,478
2020	\$192,257,965	\$182,059,072	\$338,629,874
2021	\$194,207,025	\$182,059,072	\$348,788,770
2022	\$196,152,138	\$182,059,072	\$359,257,167
2023	\$198,156,125	\$182,059,072	\$370,035,064
2024	\$200,180,829	\$182,059,072	\$381,140,667
2025	\$202,222,663	\$182,059,072	\$392,573,977
Total	\$4,513,322,118	\$4,589,951,302	\$6,989,673,821